

INTELLIGENCE AGENCY REPORT
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO.

DATE OF INFORMATION 1949

DATE DIST. *A* Feb 1950

NO. OF PAGES : 11

SUPPLEMENT TO
REPORT NO.

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FIVE-YEAR PLAN OF THE HUNGARIAN PEOPLE'S REPUBLIC

Industrial production during the Three-Year Plan reached 140 percent of the last peacetime year. Agricultural production almost reached the prewar level. The standard of living of the workers is, on the average, 37 percent higher than before the war. The health and cultural level of the people has also been improved.

Basic changes have taken place in the social and economic structure of the country. Three years ago, the manufacturing, mining, and steel industries were almost entirely in the hands of the capitalists. Now 92 percent is owned by the state. Banking operations have been completely taken over by the state. Foreign trade used to be almost solely in the hands of capitalists; today it is a state monopoly. Wholesale trade has changed from an almost wholly capitalist undertaking to one completely in the hands of the state. State and cooperative participation in retail trade has increased from 3 to 30 percent. Large-scale cooperative farming was almost unknown 3 years ago, but today 7 percent of the country's sown area is owned by state farms and producer cooperatives and there are 220 machine-tractor stations to help the peasants.

A. Major Tasks of Five-Year Plan

The most important tasks of the Five-Year Plan are as follows:

1. Speed up the industrialization of the country by developing the heavy and machine-building industries, as a preliminary condition to the development of light industry, the mechanization of agriculture, and the modernization of transportation. This is also a prerequisite to the cultural and economic betterment of the people, the consolidation and security of national independence, and for building socialism.

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2. Eliminate backwardness in agriculture and increase yields significantly to provide more food for the people, more raw materials for the expanding industry, and increased export of agricultural products to balance import requirements.

3. Further raise the standard of living of the people by providing them with all their necessities; improve housing, sanitation, and socialist education; and train workers and peasants to become new leaders, engineers, doctors, teachers, economic organizers, plant managers, officers, government representatives, etc.

4. Develop the army and security forces according to the provisions of the peace treaty.

5. Transform Hungary from an agricultural-industrial country into an industrial-agricultural country, so that its economy will be predominantly industrial but will at the same time have a well-developed and modern agricultural economy.

To fulfill the above tasks, 50.9 billion forints must be invested in the people's economy. Of this amount, 21.3 billion will be invested in industry; 18.3 billion in heavy industry and 3 billion in light industry. Agriculture will get 8 billion forints, and 12.5 billion will go for industries directly serving agriculture, for transportation, construction, sanitation, and cultural development in rural areas. Development of transportation will require 7.5 billion forints. The allotment for housing, community development, sanitation, social-political, and cultural development is 7.4 billion forints. Development of trade will require 0.9 billion forints and 2.5 billion will be put aside as a reserve for other investments found necessary during the execution of the Five-Year Plan. Another 3.3 billion forints is being allotted for investments in connection with preparations for the Second Five-Year Plan.

Successful development of the national economy calls for over-all industrial production to reach 186.4 percent of the 1949 figure by 1954. This means that heavy and light industry production will have to be raised to 204.3 percent and 172.9 percent of the 1949 level, respectively. Agricultural production will have to be increased to 142.2 percent of the 1949 figure by 1954; the crop production yield must reach 135 percent and cattle breeding 151.1 percent of the 1949 level.

Productivity of labor in industry will be raised by 50 percent from 1950 to 1954. The cost of production will be reduced by 25 percent during the same period. Increased productivity and reduction in the cost of production are to be attained by new capital investments, reorganization of industry, specialization, and farther development of the innovation movement, workers' competitions, the Stakhanovite movement, and the bonus system.

The standard of living will be raised, on the average, 35 percent above the 1949 level, and by 1954 it will be 185 percent of the prewar average. Industry will employ 480,000 new workers during the plan, as follows: 250,000 new specialists, 92,000 trained workers, 85,000 helpers, and 53,000 intellectual workers.

The following steps must be taken to provide the increased manpower required to fulfill the Five-Year Plan and to replace the manpower lost through natural causes and through transfer of production workers into state, economic, cultural, and other leadership work:

1. Develop the industrial training program to provide mass training of helpers and trained workers to become specialists.

2. Raise the number and proportion of women in all branches of industry and insure equality of work and pay for women.

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3. Organize seasonal agricultural workers and draw them into industrial work with permanent jobs and steady income.

The national income in 1954 will reach 163 percent of the figure for 1949. The proportion of the national income represented by industry will increase from 49.7 percent in 1949 to 58.7 percent in 1954.

B. Production and Investment Plans

1. Industry

Mining production must reach 2,153,000,000 forints by 1954, or an increase of 55.2 percent over 1949 production. Coal production must be increased from the 1949 figure of 11.5 million tons to 18.5 million tons in 1954. Important increases must also be made in iron, manganese and nonferrous ores, bauxite, crude oil, and other mineral production. Increased mineral production must be insured by investments of 2,465,000,000 forints. Existing raw material sources must be developed, new sources must be found, and large-scale modernization must be introduced in the mining industry.

Production of the smelting industry must reach 4,723,000,000 forints by 1954, or an increase of 95 percent over 1949 production. Pig-iron production must be increased from the 1949 figure of 428,000 tons to 960,000 tons by 1954 and raw steel production from 890,000 tons to 1,600,000 tons. Increased quantities of alumina, smelted aluminum, ferromanganese, nonferrous metals, and magnesium must be insured to meet increasing requirements. Increased smelting production is to be provided by investments of 3,998,000,000 forints. These investments will provide for the construction of a new, large-capacity blast furnace, steel and rolling mills, and ferromanganese and aluminum smelting works at Mohacs.

Production of the heavy machine-building industry must reach 7,725,000,000 forints in 1954, or an increase of 138 percent over the 1949 figure.

Between 1949 and 1954, production of various types of machine tools must increase from 185 million to 610 million forints, tractor production from 2,600 to 4,600 units, railroad cars and motorized passenger coaches (calculated in IZK railroad freight car units) from 4,850 to 10,000 units, freight cars from 3,200 to 9,000 units, and motorcycles from 12,000 to 23,000 units. Steam, electric, and Diesel locomotive production must reach 520 million forints. The following items heretofore not produced in Hungary will be produced during the Five-Year Plan: large machines for heavy industry, trolley busses, combines, Diesel tractors, motorized corn harvesters, road-building machines, excavators, construction machinery, automatic textile and other machinery, large railroad cranes, railroad car and truck loading machines, etc.

Increased production in the heavy machine-building industry will require investments of 4,214 million forints. These investments will provide for the establishment of foundries, machine-tool-building plants, and plants to make machinery for flour mills, the textile industry, light industry, crude-oil pumps, Diesel engines, cranes, radiators, etc. New plants will be built in the Borsod industrial region to manufacture high-quality steel and car wheels, and a new bridge and iron-works plant will be built along the Danube.

Electric power production must be increased from 2,200,000,000 kilowatt-hours in 1949 to 4,270,000,000 kilowatt-hours in 1954.

Investments of 3,285,000,000 forints must be made during the plan period to bring about the required increase in electric power production. Production increases must be insured by building new power plants equipped to use low-grade coal and lignite at Varpalota, Bercika, and Mohacs; at Lovaszi to use natural gas; and at Tiszalok to use water power. Smaller power plants must be built elsewhere and existing plants must be expanded. The economical distribution and delivery of

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electric power cells for the construction of new 100-kilovolt distribution stations 850 kilometers of 100-kilovolt trunk lines.

Production of the building materials industry must reach 1,149,000,000 forints by 1954, or an increase of 114.8 percent over the figure for 1949. Between 1949 and 1954, production of cement must be increased by 500,000 tons; and 420 million more bricks, 50 million more tiles, and 210,000 tons more calcined lime must be produced. Prefabrication of reinforced concrete units must be stepped up to reach 233,000 tons by 1954.

Increased production in the building materials industry will be insured by investments of 618 million forints. These investments will provide for the construction of large-capacity cement plants, brickyards, lime and sand brick-yards, lime factories, refractory products plants, lime hydrating plants, reinforced concrete prefabrication plants, and industrial porcelain plants.

Production of the glass industry must reach 261 million forints by 1954, or an increase of 26 percent over the figure for 1949. The investment of 16.5 million forints in the glass industry will include an amount for the construction of a glass fiber plant.

Production of the chemical industry must reach 4,843,000,000 forints in 1954, or an increase of 138 percent over the figure for 1949. In comparison with 1949, the 1954 production of household coke and coke briquettes must be increased by 350,000 tons and that of illuminating gas by 50 million cubic meters. The production of smelting coke must be started so as to reach 450,000 tons by 1954. In the inorganic chemicals industry, 240,000 more tons of nitrogen fertilizer, 240,000 more tons of phosphorus fertilizer, and 1,500 more tons of caustic soda must be produced than in 1949. In the light chemicals industry, 55,000 more tons of vegetable oil, 13,000 more tons of soap, and 175 million more forints' worth of drug items must be produced in 1954.

Investments in the chemical industry will amount to 1,934,000,000 forints and will provide for a new superphosphate plant, a new nitrogen fertilizer plant, a caustic soda works, a new aniline dye factory, a drugs factory and a synthetics plant.

Production of the consumers'-goods industry, the precision mechanics industry, the electric power equipment and telecommunications equipment industries must reach 3,834,000,000 forints by 1954, or an increase of 101.4 percent over the 1949 figure. In comparison with 1949, the 1954 production of ferrous consumers' goods, such as nails, wire, and wire cable, must be increased from 306 million to 587 million forints; agricultural consumers' goods, such as tools and chains from 35.5 million to 49 million forints; household consumers' goods, such as dishes, stoves, and metal furniture from 290 million to 435 million forints. Production of electric power equipment, such as dynamos and transformers, will have to be increased from 680 million to 1,395,000,000 forints. As compared with 1949, production of radios will have to be increased by 75,000 units, electric light bulbs by 13 million, radio tubes by 1.5 million, and typewriters and adding machines by 22,500 units by 1954.

During the Five-Year Plan, 936 million forints will be invested in the above group of industries. These investments will provide new plants and shops for the manufacture of electric power equipment, metal consumers' goods, telecommunications equipment and krypton.

Production of the textile industry must reach 9,267,000,000 forints by 1954, or an increase of 52 percent over the figure for 1949. In comparison with 1949, the 1954 production of cotton yarn must be increased by 15,900 tons, wool yarn by 4,200 tons, linen and hemp yarn by 2,200 tons, cotton cloth by 91 million square meters, woolen cloth by 10.9 million square meters, silk cloth by 4.4 million square meters, knitted goods by 478 tons, cotton hose by 865,000 dozen, and silk stockings by 196,000 dozen.

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Investments of 1,091,000,000 forints in the textile industry will provide for the expansion and modernization of existing equipment, and the installation of automatic looms and other modern equipment in spinning mills and other textile plants.

The clothing industry must provide better and cheaper clothing for the workers. Production must reach 2,609,000,000 forints by 1954, or an increase of 250 percent over the 1949 figure. In comparison with 1949, the 1954 production of men's outer garments must increase by 1,582,000 units, women's outer garments by 607,000, work clothes by 740,000, men's and women's underwear by 2,800,000, and children's clothing by 1,210,000 units.

Investments of 119 million forints will insure the necessary increased production. Among other things it will provide for the construction of 12 new clothing industry plants.

Production of the leather and shoe industry must reach 1,500,000,000 forints by 1954, or an increase of 78 percent over the figure for 1949. Investments of 139 million forints will provide for the establishment of new plants to insure the required production.

Production of the rubber industry must reach 544 million forints by 1954, or an increase of 154 percent over the 1949 figure. In comparison with 1949, the 1954 production of motor-vehicle tire casings must be increased by 107,500, bicycle tire casings by 1.4 million, and industrial rubber goods by 3,600 tons.

Rubber industry investments during the Five-Year Plan will amount to 61.6 million forints.

Production of the wood industry must reach 969 million forints by 1954, or an increase of 78.4 percent over the 1949 figure. In comparison with 1949, the 1954 production of furniture must be increased by 145 million forints and lumber by 88.5 million forints.

Investments of 73 million forints will permit, among other things, the building of new furniture, lumber, and wallboard factories.

The production of the paper and printing industry must reach 1,357,000,000 forints by 1954, or an increase of 56 percent over the figure for 1949. In comparison with 1949, the 1954 production of paper must be increased by 28,100 tons and printed material by 16,800 tons.

Investments of 165,200,000 forints will provide new plant capacity to insure the required increase in production.

Production of the agricultural products industry must reach 9.3 billion forints by 1954, or an increase of 70.1 percent over the 1949 figure. In comparison with 1949, the 1954 production of refined sugar must be increased by 135,000 tons, raw alcohol by 170,000 hectoliters, other alcohols by 75,000 hectoliters, beer by 250,000 hectoliters, flour-mill products by 850,000 tons, canned vegetables by 22,000 tons, canned meat by 4,400 tons, dairy products by 4,200 tons, candy and chocolate products by 8,600 tons, and tobacco products by 89 million forints.

Investments of 1,383,000,000 forints will be made to increase production and improve its quality. Included in the projects to be provided for by the investments are new flour mills, a new poultry-processing plant, state, country, and municipal slaughter houses, bakeries, a 60,000-carload capacity public warehouse, a 2,000-carload capacity cold storage plant, and a new starch factory.

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